



## Office of Mayor Miro Weinberger

### MEMORANDUM

**To:** City Councilors  
**From:** Mayor Miro Weinberger  
**Date:** October 2, 2013  
**Re:** Pension Summit extension request

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I write to update you on progress with the Pension Summit, an important topic the City Council addressed in the attached Resolution titled "Convening of a Summit to Discuss the Underfunding of the City's Pension Plan and to Explore Options to Address Unfunded Liability" adopted August 12, 2013.

Per the Resolution, I have appointed a committee to join me in drafting the program for the Pension Summit. Councilor Norm Blais, Councilor Karen Paul, and Councilor Chip Mason—three sponsors of the Resolution—sit on the committee, as do Chief Administrative Officer Bob Rusten, City Attorney Eileen Blackwood, Human Resources Director Susan Leonard, Event Planner Deb Lichtenfeld (as a consultant), Chief of Staff Mike Kanarick, and Mayoral Projects Coordinator Brian Lowe. The committee is drafting a program for the Pension Summit consistent with the requirements outlined by the City Council, and has begun reviewing the draft for feedback with individuals and entities stipulated in the Resolution, which includes the four bargaining units representing City employees, the Board of the Burlington Employee Retirement System, two individuals owning commercial property in Burlington, two non-union City employees, and the Board of Finance.

My Administration respects the importance of delivering on the commitments outlined in the Resolution and has completed substantial work on the draft program for the Pension Summit. However, we will not be able to complete all of the outreach requirements prior to the October 7 City Council meeting—the last such meeting before October 15. Therefore, we respectfully request an extension of the deadline to November 15, allowing us to present the draft program at the November 4 City Council meeting.

Thank you.

CONVENING OF A SUMMIT TO DISCUSS THE UNDERFUNDING  
OF THE CITY'S PENSION PLAN AND TO EXPLORE OPTIONS  
TO ADDRESS UNFUNDED LIABILITY

In the year Two Thousand Thirteen.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington has a full-time, permanent work force of more than 600 dedicated and resourceful employees and approximately 900 retirees and former employees vested in the City's retirement system; and

WHEREAS, it is in the long-term best interest of the City that it continues to have qualified and competent employees to perform those functions that are essential to the effective and efficient operation of the City and the delivery of City services; and

WHEREAS, the City Council recognizes the importance of the retirement/pension system in recruiting and retaining competent and committed employees; and

WHEREAS, it is in the interests of the citizens and taxpayers of the City, as well as in the interests of former, present and future City employees, that the City's retirement/pension system be a sustainable, viable and affordable plan that can fulfill its promises to city employees; and

WHEREAS, over the last few years the City taxpayers' contribution to the retirement/pension fund has increased each year while at the same time the unfunded liability of the fund has also increased; and

WHEREAS, the unfunded liability in the City's pension/retirement plan as of June 30, 2012 was \$60,611,827, an amount that creates an unsustainable retirement system and places an unreasonable tax burden upon the taxpayers of the City of Burlington; and

WHEREAS, the City is fortunate to have at its disposal individuals who have the ability to comprehend the nature of the problems facing our retirement/pension system, to hear from persons who wish to address those problems, and to put forth options to address the City's unfunded liability; and

WHEREAS, the City Council believes that the financial problems of our retirement/pension system are significant and there is an urgency to solve these issues and therefore the public must be informed in such a way so that they understand the long-term impacts of our not solving the structural issues within our retirement/pension system;

NOW, THEREFORE, BE IT RESOLVED that there is a need for a Retirement Summit where the



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public is made aware of our concern that maintaining the current structure of our retirement/pension system is unsustainable; and

BE IT FURTHER RESOLVED that the City Council requests that the Mayor shall appoint a committee to plan a Retirement Summit for not later than October 15<sup>th</sup>, 2013. The committee shall create a program, to be approved by the City Council, designed so that attendees can understand, at a minimum, the:

- a) Long-term impact on renters and business-owners of maintaining the current pension structure.
- b) Comparison of our public-sector pension system to private sector plans.
- c) The complexity of our pension system and its administrative difficulty and cost.
- d) Services our employees provide to the taxpayers, the value of these employees and therefore the need to maintain a high-quality pension system to retain and recruit staff.
- e) The impact our current pension system may have on the City's credit rating.
- f) Long-term financial and other implication of maintaining the current pension structure.
- g) How new government accounting standards may positively or negatively change our pension valuation outlook, and whether it is likely that there will be future changes to government accounting standards that will further impact our pension valuation.
- h) How the City's costs to fund our pension system impacts the taxpayers, employees, current retirees, City infrastructure and possible growth of the City's Grand List.
- i) Appropriate balance of a variety of City revenues; and

BE IT FURTHER RESOLVED that prior to presenting its plan to the Council the committee shall offer to meet with the elected leadership of each of the four bargaining units representing City employees, the Board of the Burlington Employee Retirement System, at least two individuals owning commercial property in Burlington, at least two non-unionized City employees, and with the City's Board of Finance to review a draft program and solicit peoples' ideas on the draft; and

BE IT FURTHER RESOLVED that the once the Summit has occurred, and the City Council and Administration has been able to assess the outcomes of the Summit, the Administration will present to the City Council for its approval a draft process, the goal of which will be to identify solutions to the issues raised at the summit. This draft process will be presented to the City Council no later than two months after the Summit, and its creation shall follow the same guidelines used to create the Summit plan.